



Interview of Hilary Abell

Executive Director, Women's Action to Gain Economic Security (Oakland, CA)

Interviewed by Steve Dubb, Research Director, The Democracy Collaborative

January 2010

Hilary Abell is Executive Director of WAGES (Women's Action to Gain Economic Security), a position she has held since 2003. WAGES is a co-op business incubator that presently supports a network of five eco-friendly housecleaning worker cooperatives in the San Francisco Bay Area. For 15 years, WAGES has worked with low-income immigrant Latinas to launch green business cooperatives. WAGES-affiliated co-ops presently have 85 worker-owners, who earn above-industry wages (\$14-15 an hour plus benefits) as well as having an ownership stake where they work. Today, approximately 2,000 Bay Area households are customers of WAGES Cooperatives. WAGES has also sought to expand its reach by forming partnerships with organizations in North Carolina and New York that are seeking to start up housecleaning worker co-ops of their own.

What were the origins of WAGES?

I came to WAGES many years after its founding, but I have met the founders and can share the story. There were three women who were community workers of different kinds, ranging from community health to social work, who came together to start WAGES in 1994 and incorporate it in 1995. They had worked with immigrant women, mostly from Mexico, in East Palo Alto on the San Francisco peninsula through a Catholic Charities-affiliated non-profit. They were running support groups of women and working on domestic violence and other issues. A common theme voiced by the women in the groups was the need for economic stability as a foundation for becoming more empowered in their lives.

Some of the women had founded an informal cleaning cooperative. The women involved in forming WAGES were assisting that cooperative, and it was making a real difference for the women involved. As I understand it, the program's funding ran out, and, at that point, the founders of WAGES decided to start another nonprofit with the purpose of helping low-income women form cooperative businesses.

Could you discuss the organization's early development and explain how the organization has changed since you became executive director seven years ago?

I think of WAGES' history and development in four stages. In the **initial stage**, WAGES worked with three groups of women – one was English-speaking and two were Spanish-speaking. The approach at that time was business planning education and cooperative education. They worked with groups for 9-15 months – the women themselves would identify a business sector, and the education process was very intensive. One lesson of that first phase was that the co-op model is not for everybody, but it is very powerful for those who want to do it. The English-speaking

group didn't want to do it, but the two Spanish-speaking groups did open businesses. One group formed a nontoxic housecleaning co-op. The other group founded a store called Fantastic Fiesta – Party Supplies and More. It was an actual retail store in Redwood City; it lasted 18 months, but wasn't viable. But the cleaning business was viable and set the direction for WAGES from there on out.

The **second phase** was to focus on developing that niche for eco-friendly housecleaning. WAGES did this because it was a relatively high margin business with low barriers to entry, it was healthy for the women, and it was profitable if done right. The second phase involved replicating these green-cleaning co-ops for the first time – late 1990s to 2002. During this period, the two oldest of our five existing co-ops got started. Both were successful but they had a hard time growing beyond 15 worker-owners.

So we had encountered some challenges around scale and structure of the co-ops. WAGES had begun to move into the **third phase** when I came into the picture in 2003. The board and the previous director had made some good decisions to have more impact by moving towards a more streamlined, “representative democracy” model and away from a collective model. They had also decided to address the mixed relationship toward management that the co-ops and WAGES had had thus far.

Our co-ops operate with a general manager position and an operations manager position. The latter involves customer service and scheduling jobs, while the General Manger deals with performance issues, marketing, planning, and financial management. During WAGES' second phase, the general manager position was considered transitional, and the operations manager position, while permanent, was envisioned as a learning position for co-op members. We had beneficiaries of the project who served as office staff, and they were learning computer and English skills on the job. The idea was that operations positions would rotate among the cleaning staff so everyone could learn those skills.

We learned a lot of lessons during this time about successful management and administration in a cleaning business. The people who work in the operations management position, that's a very skilled position. When you talk with some of the operations staff, many will immediately know the clients' voices when they pick up the phone. They provide a high level of customer service.

In other words, we recognized that a different skill set is required in scheduling than in cleaning. We wanted our workers to not only be paid well, but also get health benefits and the other things that we have developed over time. The stability and effectiveness of the office was primary, so we decided office positions would not rotate. That's one of the downsides of our industry – housecleaning companies have a very flat structure. If you have 15 cleaning staff, maybe you have two or three staff in the office. If you have 30 cleaners, maybe four staff are in the office. So you're looking for people with the right kind of experience and preparation to do those key office jobs. We still prioritize skills development for the worker-owners, but in other ways.

Our larger co-ops serve up to 100 clients a day. You're entrusted with keys and may have to manage 15 or more teams that each are cleaning five houses a day. Operating an efficient and profitable housecleaning business is a lot more sophisticated than WAGES realized when we

first got into the field. That's why both the operations manager and general manager positions emerged at this stage as key elements of success for our model.

In this period, WAGES focused on addressing the challenges we had previously experienced by improving the management model and our approach to governance. We developed a more streamlined board, which is a hybrid board that has WAGES representatives who bring their expertise in business development and help guide the businesses. We also embraced professional management and operational efficiency as ways to build bigger cooperatives. As a result, we got the co-op we were focused on in Oakland up to scale. It has four people working in the office and 30-co-owners who do cleaning, and they have health benefits, paid vacation, and a documented increase in their members' family incomes of 50-70 percent. We were able to get that co-op to a larger size relatively more quickly. And now, we are doing it even more quickly with our newest co-op, which is in San Francisco and started last year as part of our fourth phase.

The **fourth phase** started in 2008 – we did a three-year plan for 2008-2010 and we are about to start on another phase of strategic planning that is oriented toward even more rapid expansion. We are now building for a somewhat faster incubation process and multiple incubations at the same time to scale up the model so we can benefit more women.

This is one of the most powerful opportunities for economic stability that we know of for the community we serve. What we have created is a program that helps them build wealth and create a dignified job out of these cleaning jobs. It is professional work that these women can do and do well.

We've got something good here, but we recognize it is still pretty modest in scale. We are looking to learn from social enterprise and other scaling models. Our focus now is both on completing our current vision for growth – what I call saturating the Bay Area (and we are now working in almost every part of the Bay Area) – and also to take the model to other parts of the country.

Prior to becoming Executive Director at WAGES, you previously did what I think is fair to call movement-based work in fair trade, environmental health, women's health, and immigrant rights. The work at WAGES obviously is related to these issues, but has much more of an economic development focus. What inspired you to make this switch?

It has been a shift. It was two things. One is that I had been working for many years on international issues but always from the United States. My passion had always been the fair trade farmers, the co-ops and the community organizations we supported in other countries. When I worked on women's health, we were providing \$1,000 grants to communities where no grant money had ever gone before. In fair trade, we were creating direct relationships with co-ops that had never exported their own products before. I loved that work, but I got to the point where I wanted to work locally because I wanted to have more contact with the people on whose behalf I was working. That was one of the things.

The other was incredible serendipity or providence. I had been living in the Bay Area for some time and was taking time off between jobs and I did not know about WAGES. When I heard about WAGES, I saw it as an application of fair trade principles to the local service economy. I had been a sales person of fair trade coffee for Equal Exchange and got to know some things about the application of business strategy to social justice issues. Fair trade is an economic development strategy, but the work is done very differently than the job creation work we do at WAGES. WAGES touches on many issues close to my heart and it gave me the opportunity to work on all of them while building something very innovative and exciting. So my shift to WAGES was a combination of intention and good luck.

In the process of doing this, I have become very passionate about cooperative development and community economic development.

How does WAGES incubate a co-op? Could you explain the process of creating a new co-op, from capital formation to finding qualified management to the recruitment and training of co-op worker owners?

Our co-op incubation process has four parts. One is recruitment and training of the worker-owners and a second is finding qualified management, which is an important piece of our model. A third piece is technical assistance. We help our partners get a loan through Opportunity Fund in San Jose. Thanks to our partnership with Opportunity Fund, the procurement of capital hasn't been a time consuming part, but it is part of the technical assistance we provide, along with business planning and legal and financial modeling. And a fourth piece is what we call our governance piece.

To the degree there is an entrepreneur that is moving the incubation effort forward, it is WAGES as an organization. We bring a lot of knowledge of what works well and what doesn't from the 15 years we have under our belt. We take a strong role in governance and management because we've found that we can achieve our mission more effectively by having more of a decision-making role, especially in the incubation period.

We think about it as, on average, a three-year business incubation period.

Part of what we are now trying to do is layer on a social franchising model. We are looking to standardize as much as possible. In 2009, we launched our co-op network. It has five member co-ops right now. It is the vehicle for putting in place and achieving everyone's mutual agreement to business strategies that will make each co-op and the whole effort more successful. The network can deal with issues such as complementary service areas – that is, avoiding competing for the same clients. It can also help ensure that we maintain our high environmental standards. The network is already doing joint branding and joint purchasing of supplies. We hope it will eventually help us do joint purchasing of insurance, but we aren't there yet. We also ensure that WAGES maintains an ongoing relationship with the mature co-ops even after the incubation period and link them to the new co-ops through this network.

How does management at a WAGES worker co-op function? How are managers hired, supervised, and (if necessary) replaced?

The relationship of management shifts depending on whether the co-op is a mature or a new co-op. With new co-ops, during the incubation period, WAGES subsidizes the manager's salary and works closely with the manager. Over time the co-ops pay a development fee to help cover some of the costs for the incubation. One of the key criteria for when incubation ends is when the co-op is generating enough profit to fully cover their own management costs.

With everything else, the co-op is covering all of its operations, but we do cover the key role of the manager until the incubation period ends. Related to that, WAGES does the hiring and firing of the manager during that period. After the incubation period the co-op board takes over.

When the co-op board takes over, how does the Board-manager relationship work?

It is similar to most boards. We train the co-op boards to be governing boards and focus on policy issues and key strategic tasks like approving the annual budget and year-end profit, evaluating the general manager, and hiring and firing her if necessary. The General Manager will do most human relations functions, but because of the co-op nature of membership there are some things that would come to the Board. For a full member to leave the co-op, that would be a Board decision, not a manager decision.

How often do full membership meetings occur?

Mature co-ops meet once a month. We may be recommending for future co-ops that they make these meetings either less frequent and/or more structured. Membership meetings provide training, information, and cover items where the Board wishes for the full membership to provide input. Additionally, the co-ops' operating agreements spell out some decisions that must be made by the membership alone or which require approval from both the Board and the membership.

How does one become a member of the co-op?

It's a little different when they are mature or in incubation. WAGES' incubation model includes an in-depth training program for new co-op members. Women get three weeks of training before they become members – they learn our green cleaning technique, what it means to be a co-op, basic business training, and basic financial literacy training. With our newest co-op, we are enrolling new members in IDAs (individual development accounts) as well. Then they join as provisional members for 6 months. Then, if they pass their evaluation, they become full members and get voting rights, an increase in their hourly pay, and access to health insurance.

How does the “worker ownership” piece work financially? In other words, what does a worker share cost, how do workers pay for their share, and what kind of business equity can a worker at a WAGES network cooperative expect to build up over time?

The membership fee is \$400 – each member has to put \$150 when she joins as a provisional member, and the additional \$250 is paid over six months through payroll deduction. The \$150 has never been a barrier; there is usually some kind of training stipend that they can apply toward the \$150.

With our new model, which we have piloted with the new start-up in San Francisco, the co-op has an IDA (matched savings) component relating to the membership fee. The individual has to qualify, but if she does, then the membership fee is \$1,200, with the worker contributing \$400 and getting an \$800 match. That’s something we are excited about. It generates more working capital for the co-op and increases the value of the worker’s internal capital account.

This is the first instance I am aware of in which IDAs are used in a shared ownership framework, and we hope it will be the first of many. Because co-ops refund the membership fee when a member leaves, we developed a vesting situation, where a departing member’s access to the matched savings increases year-by-year. If the worker leaves the co-op after only one year, she gets 25 percent of the match and the rest stays with the co-op to support its mission; after four years, the worker gets 100 percent of the match.

How does profit distribution work?

According to international co-op principles, year-end profits are allocated to individual members according to their hours worked during the year. The board of the co-op will make a decision after each fiscal year to look at how much profit there was and how much will be distributed to members in cash or retained in their internal capital amounts. There is a minimum amount we distribute to cover everybody’s tax burden. Other than that, there is no standard practice, although moving forward we will be reviewing this. One of the things in every case is that we limit payouts until a reserve fund is established. In terms of internal capital accounts, in the newer co-ops we have used a three-year revolving system, in which retained earnings will get routinely paid out three years after they are generated. In our most successful co-op, there are two kinds of special distributions – year-end and 3-year retained-earning distributions.

As for how much is distributed, one school of thought is that the retained earnings will contribute more to members’ economic security over time than more frequent payouts would, since the retained earnings function as a sort of obligatory savings. Then there is another philosophy to pay out as much as you can to members during the year as part of their regular pay and benefits, leaving little or no year-end profits.

From an asset building perspective, one other thing is worth pointing out: our co-ops offer emergency loans at no interest to their members. The loans get repaid through payroll deduction. In spite of earning more than they earned before, our co-op families still live pretty close to the margins and most don’t have emergency savings. So about 60 percent of members take

advantage of these emergency loans at one time or another, and this helps them steer clear of predatory lending.

Down the road, we would like to move in the direction of long-term stability, such as providing vehicles for retirement savings, like Cooperative Home Care Associates does in New York City.

How much is the profit distribution worth to the average worker?

It can range anywhere from a few hundred dollars to a few thousand in a given year. The few-thousand level is the exception; that is not at all the norm. \$4,000 would probably be the maximum as a combination of payout for year-end profit distribution and the retained earnings payment. The minimum would be a few hundred bucks between the retained earnings payout and profit distribution. Still, this is an important benefit for families who have little or no savings or access to capital.

Anything else you would like to add about WAGES' use of individual development accounts (IDAs)?

The reason we made this innovation is that the people we were working with would meet the income qualifications for IDA programs, but they were not strong candidates for the specific savings goals that are typical for IDAs: starting your own business, buying a home, financing college education. By and large, they weren't in a situation to be an entrepreneur. Buying a home, that's a story we don't need to tell; home ownership is out of reach for most working people in the Bay Area, and many who did buy in recent years did so in unfavorable terms. And few of our co-op members had kids who were about to go to college.

But this new application of the IDA works really well for co-ops. Over time, we hope it will also serve as a gateway to help the members take advantage of IDAs for other purposes, such as education, retirement savings, or home ownership, if it becomes more viable.

As you know, WAGES developed two co-ops in the 1990s, one in 2003, and then added two more to the network in 2009, one of which was a WAGES start-up and one of which involved a partnership with a nearby nonprofit group. What facilitated expansion in 2009 and what made expansion prior to 2009 more difficult?

The reason there was only one new co-op between 2003 and 2008 was due to our decision to focus on developing a model to allow for a single co-op to be larger. We were working with the older co-ops on other projects as well. But the ball we were keeping our eye on was to get a co-op up to 30 members that would be sustainable. Out of that effort came the development model and the toolkit we have developed for use in our own replication efforts and to share with others across the country.

Since 2008, we have expanded staff but we also have a lot to work with that we didn't have before. WAGES has always been a learning organization, but we took it to a more sophisticated level by figuring out the management model and developing the toolkit. Better management makes a difference. The Oakland co-op took off when a more professional manager came in. The San Francisco co-op has grown 30-percent faster than the Oakland one, and that's because of the manager we brought in and the improved operational model we developed in Oakland, which includes software that allows you to be more efficient on a day-to-day basis.

Presently WAGES cooperatives include about 85 worker-owners. It is my understanding that you hope to expand that number over time to 200. Could you discuss WAGES' strategic plan for expansion and how you plan to carry it out?

We're still shooting for 200 or more, but we've adjusted the timeline because of the economy. Up until the second half of 2008 we were the leaders in green cleaning and we could be confident that the housecleaning niche would continue to grow. Customers were coming to us and the limitations on growth were mainly internal. But in the meantime the economy crashed. Marketing became a new challenge, which put a wrench in our growth plan. We can't add members unless we know that business will grow to give them reasonably full schedules in a reasonable period of time.

In spite of the economy, we did grow last year by more than 15 percent in both co-op sales and membership. We felt pretty good about that – even though it is far short of what we had initially aimed for. Our hope had been to get to 200 members by the end of 2010. Now we're projecting 100, which still represents 15-percent annual growth for both 2009 and 2010 – the worst economy in 80 years.

But we're still holding a vision of 200 or more members in the years ahead. Initial scenarios for our next strategic plan suggest that we can do five co-op start-ups over a 3-year period and add 100 new worker-owners for a total of 200. That could involve a mix of local co-ops and co-ops outside the SF Bay Area. We aim to continue to get more economies of scale by incubating multiple co-ops simultaneously.

WAGES mentions on its website that it provides advice and information to dozens of organizations, including three community partners that are developing green cleaning cooperatives inspired by WAGES' model. What has this consulting work entailed? How successful have these efforts been to reproduce the model outside of the Bay Area?

Our first consulting project was with SEED Winnipeg in Canada. In 2002, we trained their staff in green cleaning and they formed a co-op that survived and became a green janitorial service. In 2005, we provided technical assistance to another housecleaning co-op, in Los Angeles, working with a day labor center. This co-op is called Magic Cleaners. They are still around, although I don't think they are on a steady growth path.

The new co-op in Concord, Green and Clean, is a more intensive year-long effort, and this co-op has become an affiliate member of our network with a slightly different status. We're not incubating them, but we are providing a high level of support. It will be great to see how that goes over time. The other non-profit, the Michael Chavez Center, is definitely the lead partner but we are more closely involved than in our previous consulting projects.

We have also provided our toolkit and assistance to several other groups this past year, including groups in Denver, Washington (DC), New York and North Carolina. In North Carolina there are two green cleaning co-ops that have sought our advice, and one, which is supported by The Center for Participatory Change, has used our co-op development toolkit. I'm providing consulting to the CPC cleaning co-op, and they are doing quite well. CPC is working with a cluster of small co-ops in different industries.

Consulting is an experimental part of our work. I've always wanted to give others access to the model and help people to not reinvent the wheel. WAGES has incubated seven co-ops – and all but the early ones have survived in the long run. We see certain patterns over time, and we bring a strong perspective to these consulting relationships on what has worked, as well as what hasn't worked.

WAGES' main focus is to scale up using a social franchising approach – that is, by focusing our efforts on the co-ops we incubate ourselves. But we want to keep a foot in that other area of providing technical assistance to other organizations, in order to explore other ways to achieve impact and to keep learning. I'm really excited that the co-op movement is at a point where more players outside our movement are taking co-ops seriously. We look forward to helping make the co-op model accessible to more people.

Are there any changes that you have had to make to your consulting work over time?

It's been different in every case and it's a fairly small sample. What I have observed is that the sooner we can get involved or the group can have access to our model the better. What's really hard is when you have a group of people who work on a co-op project for years without a strong sense of where they are going or a viable business plan. When that happens, you don't gain that much and you lose people along the way. One of the things I encourage groups to do is look at their business plans really earlier on. A lot of the groups that are involved in community organizing or social justice are drawn to the idea of a co-op, but they have never built a business before. I encourage groups to put the business planning piece front and center, because worker co-ops need to be successful businesses to generate and sustain jobs for their members. It helps to get people to focus on the business side early on, instead of dwelling on the structure side, which is where many co-op enthusiasts tend to start.

In thinking about decision-making and business structures, you really want to think about why you want a certain structure and how a structure will help you achieve your business goals, as well as other kinds of goals. Our lawyer always tells us we have to figure out what we want before she can tell us how to best reflect that in our legal documents, and that's what I tell the groups I advise as well.

To date, WAGES has worked primarily with low-income Hispanic women. Why has WAGES focused on this community? Do you see any likelihood of expanding the model into other low-income communities?

WAGES' mission is to empower low-income women, and the mission is not specific to Latinas. Our focus on Latinas is more about our history and where we feel we can have the most impact. In WAGES' first phase, we worked with one English-speaking group and two Spanish-speaking groups, but the Spanish-speaking groups were the only ones to pursue co-ops. Today, our competency in working with the Latino population and our chosen business sector go hand-in-hand. In the Bay Area, the cleaning industry is mostly Latina. In the near future, we will maintain a strong sector focus with Latinas in the cleaning business. If we start developing co-ops in other parts of the country, that may open things up, but even nationally this sector is largely Latina. Plus, the demographics of our state and country have shifted, so that Latino and immigrant populations are a stronger presence in our communities, so we are serving a growing market on many levels.

WAGES has partnered with Seventh Generation, an eco-friendly cleaning products producer? How has that partnership functioned? Can you describe any other corporate partnerships you've developed? How effective have they been?

The partnership with Seventh Generation is the main corporate partnership that we have. There are some banks that have given us grants and we've worked pretty closely with Levi Strauss Foundation, which has involved the company to some extent. But Seventh Generation is our most significant partnership.

This relationship is very unique. The WAGES co-ops have always used Seventh Generation products. Over time, we had opportunities to meet people in the company. There was a time they were looking to do more for social justice and they reached out to us in 2006-2007, and we were also interested in looking for new partners. Through a year-and-a-half of conversations, we agreed to a significant strategic partnership. That started with a product-testing project we did together. That was a really neat professional development opportunity for the women in our co-ops. Now we are negotiating a bulk purchasing arrangement as part of improving our eco-friendly cleaning technique and developing our co-op network services.

The main focus of the partnership, though, has been the launch of our newest co-op, Home Green Home Natural Cleaning in San Francisco. Seventh Generation's role has focused largely on marketing. Seventh Generation actually hired a PR firm that did branding for that co-op—and the logo has some echoes of Seventh Generation's logo while remaining distinctive. We didn't want to joint brand it, since we are separate organizations and our roles in the project are very different. But Seventh Generation really wanted to offer the power of their brand, which is very well trusted with our target customer base, to enhance the co-op's marketing efforts. And one of the reasons for the faster growth of this newest co-op is that we did more marketing and media work with the help of Seventh Generation.

Our trainer is one of the founders of the Fantastic Fiesta cooperative I mentioned earlier. When that store closed, she joined WAGES' staff. At this moment, she is in New York doing interviews with Oprah's magazine and with several national parenting magazines on green cleaning. The Seventh Generation team made that happen. Their co-founder, Jeffrey Hollender, also co-hosted a fundraising party for WAGES. They've been very generous in helping us expand our donor base and build visibility for our efforts.

Internationally, worker co-ops are often seen as a primary vehicle for social enterprise, but this is not so in the United States. Is there anything you think that worker co-ops in the United States can learn from the social enterprise model?

WAGES has always been pretty squarely focused in the co-op movement and women's development. Moving forward we are trying to learn the social enterprise world.

The scaling issue is something I think all co-ops could learn about from the social enterprise world. With co-ops, there is often a natural resistance to growth. In the social enterprise world, if you look at the initiatives sponsored by Ashoka and others, taking social projects to scale is what sets them apart. Although we have a few examples of large worker co-ops in the U.S., I don't know of many examples where a co-op has done that in this country. In Northern Italy, on the other hand, I saw a lot of examples of co-ops that were also social enterprises.

I'd like to see more people involved in building the co-op sector for the most disadvantaged workers. The core focus for us is improving the income, benefits, and assets of low-income people. Most co-ops don't focus on reducing poverty in that way. Some, like Cooperative Home Care Associates in New York City, Child Space Cooperatives in Philadelphia, do and, like us, they see co-ops and community development as linked.

Co-ops could also learn from the social enterprise field about case management with worker-owners. In a typical worker co-op, you wouldn't do that and wouldn't need to. But there are specific needs in low-income communities around job preparedness, financial literacy and life skills. Some of what the most successful social enterprises have done is to combine case management with job training and job placement, and this could be extended to support people in the worker-owner role as well. WAGES has always done this informally, but we don't call it case management. This helps the business managers to focus on the business side. The key is how to combine the social supports and the holistic needs of the women along with the business development and job training pieces.

WAGES, of course, in addition to being a worker cooperative is also a "green" business? How has the elevation of "green business" in the national political discussion affected WAGES? What do you see as WAGES role in building a "greener" economy?

I think WAGES' particular contribution especially right now is that we can bring a women's voice and a women's experience to the green jobs movement and the green economy. A lot of

green jobs programs tend to serve men. They tend to be in construction trades, such as weatherization and solar installation. Of course women can do these jobs: I'm very enthusiastic about getting women into nontraditional sectors and about creating green jobs for men. But we are improving and greening jobs in the traditional female sectors and that's where the majority of low-income women are working. This is an important dialogue for the green jobs movement. It's happening but we need to have it in a more explicit way.

The other contribution we try to make is around developing a holistic definition of green jobs, including the toxics reduction piece. The national attention on green jobs does provide a new lens in which to view what we are doing. But we haven't gotten any stimulus dollars. It is all focused around energy efficiency, which is very important. But toxics reduction is also important. Also bringing in the health piece – everyone knows that health and the environment are connected, but when you look at toxins on the job, the health angle is front and center. That's part of why WAGES was started in the first place. We were working with women who were in cleaning and were getting ill as a result. The fact is that you don't need toxic chemicals to clean!

Could you talk about the sustainability of WAGES itself? How does it successfully raise funds to maintain its operations? To what degree does earned income help WAGES?

We're committed to enhancing our earned income, but it's not a big percentage of our budget yet – probably on average 8 to 10 percent. The problem has been that the co-ops would pay a development fee when they were in incubation and after that, nothing. The idea of starting the network is that co-ops will always be part of the network, and there is an annual fee that co-ops are paying. It is pretty modest. We hope the network services will pay for themselves over time. We've also established a sub-corporation that is a member of Home Green Home, our newest cooperative. In doing that, our sub-corporation put in some equity and will have the possibility of getting returns over time. That's brand new. We think it's a really important strategy for building sustainability for WAGES and the whole effort over time.

We have very strong data to show impact, and the foundation sector that supports economic development has been pretty receptive. We have shown steady growth over time even though we are still working on the scaling question. Also, the retention of people in our co-ops is much longer than at typical cleaning jobs. WAGES is in a fairly strong position, in spite of the economy, because new funders have come on even in the past year. It was definitely difficult to be in a growth plan and add staff at the start of the recession, but we have been pretty happy with the response of the foundation sector.

We are definitely focused on increasing earned income and our individual donor base. A non-profit is supposed to have a three-legged stool — earned income, individual donor income, and foundation income. We do have the three, but it is a lopsided stool that relies heavily on foundation support. We're also looking into program-related investments and other kinds of funding vehicles as we scale up.

Shifting gears and thinking nationally, obviously worker co-ops are enjoying new visibility in the United States, including recent articles in *Time.com*, *The Economist*, and the *Christian Science Monitor*. What do you see as steps that the worker co-op movement needs to take nationally to build on this new visibility?

Strengthening the United States Federation of Worker Cooperatives is really important. [Executive Director] Melissa Hoover and everyone else have done a great job of building that in its early years. There is no substitute for infrastructure. That needs to include sharing of resources and technical assistance — whether peer-to-peer or helping worker co-ops get other forms of technical assistance.

Also, the co-op model needs to be better documented. The kind of study that the University of Wisconsin, Madison did last year – that needs to continue. We have to do evaluation and documentation of impact. Also, I'd like to see more co-ops use data to improve their businesses and to understand the impact they are having on themselves and their communities.

There is great potential to expand the model. Worker co-ops should think about growth for themselves and how that can meet social and community needs. Serving the low-income community – I think it is something that co-op people care a lot about, but it is a good challenge to think further. I should also mention financing: the availability of funding for cooperatives is important too – both on the foundation side and the capital side. We're still kind of in the dark ages in terms of financial institutions and funders understanding what co-ops are and that they are legitimate vehicles to invest in.

I'm not very involved in the policy side, but when you look at Italy and look at government policies and how they supported co-op development, the role of the state is critical. A strong case can be made for our government to invest in worker cooperatives, for example, because of their profound value for asset building and job creation.

What are WAGES' main priorities going forward?

I think the main priority is figuring out to how to scale up the model and what an appropriate definition of scale would be for us so we can give more low-income women access to the benefits of what we are doing.

If you had to highlight the few key accomplishments of WAGES work to date that you are most proud of, what would they be?

One is very broad, and that is not letting go of this dream that hundreds of women have shared of having truly dignified work. WAGES and the women in the co-ops have stuck with this, and I am proud that we have continued to improve the model over time and held out a vision for growth. When we launched our Co-op Network, we had 70 women there and we spent an afternoon and an evening together celebrating and learning. The pride in every one of those women's faces was wonderful to witness, and they loved sharing both the challenges and the

successes they have had. These are 70 women who are proud and professional cleaners – they work so hard and are so proud of what they do. They do an amazing job in their clients’ homes and also participate as worker-owners and provide for their families.

I am definitely proud of increasing the pace of our work over time. The San Francisco co-op has grown 30 percent faster than the previous one, and we now have a network of five co-ops. We’re learning to get it done faster and increase our impact.

And the last but most important accomplishment in my mind is the impact the co-ops have on families’ economic wellbeing. We’ve seen a 70-percent increase in family income for the average worker at the Oakland co-op, for example. That is something that few programs can claim. We’ve been able to fine-tune a model that delivers very powerful benefits. The combination of income, health benefits, and asset building – I am very proud that we’ve been able to address all three. And these women deserve it.

For more information, please see the website of WAGES at <http://wagescooperatives.org>.